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IN REPLY REFER TO
ACQ 021
24 Jan 03

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: CARDHOLDER TO APPROVING OFFICIAL SPAN OF CONTROL –
PURCHASE CARD PROGRAM (ACQ FYI 03-005)

Encl: (1) OASA, DoA (AL&T) memo dtd Dec 17, 2002

1. Enclosure (1) is forwarded for your information and immediate implementation as appropriate.

A handwritten signature in cursive script, reading "L. F. Slates", is positioned above the typed name.

LOUISE F. SLATES
Head, Acquisition Strategic Programs
& Community Management



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
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DEC 17 2002

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND
TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND
ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTORS, DEFENSE AGENCIES

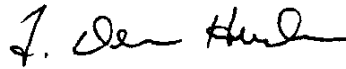
SUBJECT: Cardholder to Approving Official Span of Control – Purchase
Card Program

The DoD guideline is that no more than seven cardholders should be assigned to a single billing official. This span of control metric has been in place since July of 2001. During the intervening period this office has reviewed two separate summary level reports (October 2001 and April 2002) that portrayed each Component's performance implementing this standard.

With the notable exception of the Department of the Navy and the major Defense agencies, neither of the other two Military Departments have made significant "headway" in the implementation of this standard. For example, in April of 2002 the Department of the Army had 1,551 billing accounts that exceeded the 7:1 standard. The October 2002 report reflected only modest improvement, 906 billing accounts that exceeded the standard. Similarly, the April 2002 report reflected 1,038 Air Force billing accounts that exceeded the standard. The October 2002 report showed virtually no improvement, 1,031 accounts.

My June 5, 2002 memorandum, subject as above, directed that this office review and approve any waivers from the span of control guideline. That is any billing accounts that exceeded the 7:1 ratio. It is our view that this office is not in the best position to evaluate Component needs in this regard. This coupled with the fact that we have not seen appreciable reductions in the numbers of billing accounts that exceed the standard necessitate a change in the current process.

Henceforth, the applicable Deputy Assistant Secretary for Procurement within a Military Component of the Director of the applicable Defense Agency can approve any span of control waiver that exceeds the 7:1 ratio. It is our hope that a higher level review of spans of control within the Components will achieve the desired reduction in the number of billing accounts that exceed the metric. Please provide this office with copies of any waivers granted by your organization in excess of the 7:1 ratio.



Bruce E. Sullivan
Director, Purchase Card Joint
Program Management Office

